



State of Washington
Department of Revenue

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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COLLECTION OF RETAIL SALES TAX ON CASUAL SALES OF MOTOR VEHICLES

Revised: December 31, 1992

This Excise Tax Bulletin is a clarification and does not indicate a change in the Department's policy in this area. It explains the Department's position on the seller's responsibility to collect the retail sales tax on casual sales of motor vehicles.

A casual or isolated sale is defined by RCW 82.04.040 as ". . . a sale made by a person who is not engaged in the business of selling the type of property involved." While there is no B&O tax on casual sales, RCW 82.08.0251 does require retail sales tax to be collected on all casual sales made by persons required to be registered with the Department of Revenue. (See WAC 458-20-106).

The requirement to collect the retail sales tax includes the casual sale of motor vehicles. For example, a department store must collect the retail sales tax on the casual sale of a delivery truck to a consumer. The fact that RCW 82.12.045 requires county auditors to collect any use tax owing at the time the applicant applies for registration of, and transfers title to, the motor vehicle does not permit a seller the option of foregoing collection of retail sales tax.

RCW 82.12.045 states that county auditors are not required to collect the use tax "where the applicant presents satisfactory evidence showing that the retail sales tax or use tax has been paid by him on the vehicle in question." The county auditor will not collect the use tax if a buyer presents a copy of an invoice or bill of sale which identifies the vehicle (motor number, etc.), shows the selling price and amount of retail sales tax collected, and indicates the seller's registration number with the Department.

The seller who is registered with the Department bears the responsibility for collecting the retail sales tax. Any seller failing to collect and remit the retail sales tax shall be held personally liable for the tax, unless it can provide documentation showing the purchaser has remitted the proper amount of tax.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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